



June 3, 2021

Honorable Nancy Skinner, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Anthony Portantino, Chair  
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair  
Assembly Appropriations Committee

### **Section 28.00—CARES Act Local Transit Funding**

Pursuant to the provisions of Section 28.00, 2020 Budget Act, the following report is respectfully submitted.

The Department of Finance has received the attached section 28.00 application from the Department of Transportation (Caltrans) for the purpose of providing Coronavirus Response and Relief Supplemental Appropriation (CRRSAA) Act stimulus money to local transit operators.

The Federal Transit Administration has allocated \$74.4 million to California for rural transit agencies through CRRSAA. This funding will support capital, operating, and other expenses to maintain transit services. Additionally, funds may be used to pay for administrative leave for transit personnel due to reduced operations during an emergency eligible under those programs to prevent, prepare for, and respond to the COVID-19 Pandemic.

Caltrans received official notification of the availability of additional, unanticipated funds on April 8, 2021 and notified Finance within 45 days of this date.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended for local transit expenses related to COVID-19, which is consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.

- The need exists to expend the additional funding during the current fiscal year to immediately provide funding for transit operators to address COVID-19 related issues.

We concur with the necessity of this change to the approved budget. This change may not be authorized until 30 days after this notification in writing. Therefore, a waiver of the 30-day review period is requested to allow funds to be dispensed immediately to aid rural transit operators impacted by COVID-19.

If you have any questions or need additional information regarding this matter, please call Steve Wells, Principal Program Budget Analyst, at (916) 322-2263.

KEELY MARTIN BOSLER

Director

By:



ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3  
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 5  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst (3)  
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office (2)  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jason Sisney, Assembly Speaker's Office (2)  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
David Kim, Secretary, California State Transportation Agency  
Elissa Konove, Undersecretary, California State Transportation Agency  
Carlos Quant, Deputy Secretary for Budget and Administration, California State  
Transportation Agency  
Toks Omishakin, Director, Department of Transportation  
Keith Duncan, Chief, Division of Budgets, Department of Transportation

STATE OF CALIFORNIA  
SECTION 28.00 APPLICATION  
DF-90

Department of Finance  
915 - L Street  
Sacramento, CA 95814  
IMS Mail Code: A-15

Please report dollars in thousands.

DEPARTMENT California Department of Transportation	ITEM NO./ FISCAL YEAR 2020-2021	NOTIFICATION LETTER TO LEGISLATURE: <input type="checkbox"/> 30-DAY NOTICE <input checked="" type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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PROGRAM TITLE PER GOVERNOR'S BUDGET:

Federal Obligation Authority

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
2660-102-0890	75,424,000	+ 74,400,000	149,824,000
(2) 1840019-State & Federal Mass Transit			

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

**PART A: For what purpose will the funds be expended?**

The California Department of Transportation (Caltrans) has received \$74.4 million of additional federal obligation authority (OA) from the Federal Transit Administration (FTA) through the passage of the federal Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) for rural transit providers within the State of California to help offset lost ridership revenue experienced as a result of the pandemic so they can continue to maintain vital transit services. This request for an additional \$74.4 million of budget authority will provide Caltrans the needed budget authority to begin disbursing these relief fund to the rural transit agencies immediately, this fiscal year.

**PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:**

Passage of the CRRSAA provided much needed immediate relief funding to offset revenue losses, as a direct result from the COVID-19 pandemic, and these funds will help sustain vital transit programs across the country and more specifically the State. Since the FTA does not have a direct mechanism to transfer these funds to rural transit agencies right away, the Caltrans Division of Rail and Mass Transportation is tasked with the administration and the distribution of the nearly \$74.4 million through its existing 5311 program, as authorized by the FTA. With many of the larger urban transit agencies having already received this funding directly from FTA to help alleviate the impact of revenue losses, getting this additional authority right away is critical so these CRRSA funds can be distributed to rural transit agencies as soon as possible to help alleviate the dire fiscal impacts the pandemic has caused to their respective operating budgets.

**PROGRAM PROPOSAL** (Attach additional information as necessary)

**TITLE:**  
**SECTION 28 AUGMENTATION FOR NON-STATE FUND**

**STATUTORY AUTHORITY:** (state, federal, as appropriate)  
Section 28 Budget Act of 2020

**DESCRIPTION:**

Caltrans has received \$74.4 million of additional federal OA from the FTA of CRRSAA relief funding for rural transit agencies within the State of California so they can maintain vital transit services during the pandemic. The CRRSAA funds are distributed by FTA through the Section 5311 Rural and Intercity Bus Formula Program, which is an existing program administered by the Caltrans Division of Rail and Mass Transportation on behalf of the State of California for the annual distribution of federal apportioned funding distributed to rural transit providers in California. This request for an additional \$74.4 million in budget authority will provide Caltrans the needed budget authority to begin disbursing these relief fund to the rural transit agencies immediately, this fiscal year.

**JUSTIFICATION:**

Caltrans is seeking the associated additional federal budget authority beginning in 2020-21 to begin disbursing the \$74.4 million of CRRSAA funding to the rural transit agencies. The FTA Section 5311 formula funding program provides supplemental funding for public transit service in non-urbanized areas which have populations of fewer than 50,000 residents, as quantified by the United States Census Bureau. The FTA apportions formula funds to each state on an annual basis and Caltrans is the designated grantee for California. Caltrans received similar funding last fiscal year through the CARES Act and this new funding will be distributed under identical program processes. Caltrans is requesting this additional budget authority to administer and immediately distribute the CRRSAA funds per the Section 5311 program.

<b>SUBMITTED BY:</b>		<b>APPROVED BY DEPARTMENT OF FINANCE:</b>	
<b>BUDGET OFFICER:</b> <i>KC Handren</i>	<b>DATE:</b> 04/08/2021	<b>DATE SUBMITTED TO LEGISLATURE:</b> 6/3/2021	
<b>DIRECTOR:</b>	<b>DATE:</b>	<b>PPBA:</b> <i>[Signature]</i>	<b>DATE:</b> 5/20/2021

**FEDERAL TRANSIT ADMINISTRATION**

**TABLE 1**

**CRRSAA APPROPRIATIONS AND APPORTIONMENTS FOR GRANT PROGRAMS**

The total available amount for a program is based on the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) (Pub. L. 116-260, Dec. 27, 2020).

**TRANSIT INFRASTRUCTURE GRANTS**

**Section 5307 Urbanized Area Formula Program**

Section 5307 Formula Program	\$	13,271,310,572
Less Oversight	\$	(9,479,508)
<b>Total Available for Allocation</b>	<b>\$</b>	<b>13,261,831,064</b>

**Section 5311 Rural Area Formula Program**

Section 5311 Formula Program	\$	678,654,455
Less (5311(c)(1) Public Transportation on Indian Reservations	\$	(30,000,000)
Less Oversight	\$	(484,753)
<b>Total Available for Allocation</b>	<b>\$</b>	<b>648,169,702</b>

**Section 5311(c)(1) Public Transportation on Indian Reservations Formula**

Public Transportation on Indian Reservations	\$	30,000,000
<b>Total Available for Allocation</b>	<b>\$</b>	<b>30,000,000</b>

**Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities**

Section 5310 Formula Program	\$	50,034,973
Less Oversight	\$	(35,739)
<b>Total Available for Allocation</b>	<b>\$</b>	<b>49,999,234</b>

**FTA Administrative and Oversight Funding**

	\$	10,000,000
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<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>14,000,000,000</b>
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<b>TOTAL APPORTIONMENT/ALLOCATION (Above Grant Programs)</b>	<b>\$</b>	<b>13,990,000,000</b>
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**FEDERAL TRANSIT ADMINISTRATION****TABLE 3****FY 2021 CRRSAA SECTION 5311 RURAL AREA APPORTIONMENTS**

*The total available amount for a program is based on the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) (Pub. L. 116-260, Dec. 27, 2020).*

<b>STATE</b>	<b>SECTION 5311 APPORTIONMENT</b>
Alaska	\$55,709,437
California	\$74,423,500
Colorado	\$78,165,029
Delaware	\$21,521,957
Florida	\$32,242,023
Guam	\$1,978,866
Hawaii	\$20,305,252
Illinois	\$21,175,341
Iowa	\$16,000,554
Kentucky	\$11,647,464
Maine	\$22,904,653
Maryland	\$9,105,457
Massachusetts	\$7,261,894
Michigan	\$55,426,193
Minnesota	\$14,696,885
New York	\$6,493,500
Oklahoma	\$387,479
Oregon	\$2,455,100
Rhode Island	\$578,520
Utah	\$4,964,065
Vermont	\$26,725,119
Washington	\$164,001,414
<b>TOTAL</b>	<b>\$648,169,702</b>